

MONTANA

Department of Commerce

BUSINESS RESOURCES DIVISION
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JUN 28 2007

Ravalli County Commissioners

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June 27, 2007

Julie Foster
Ravalli County Economic Development Authority (RCEDA)
105 E Main St
Hamilton MT 59840

RE: Project Monitoring Results – Ravalli County on behalf of GlaxoSmithKline, Contract #MT-CDBG-ED06-07

Dear Julie:

On June 15, 2006 the Montana Department of Commerce (MDOC) tentatively awarded Ravalli County \$400,000 to be used as follows:

- Up to \$368,000 in CDBG-ED grant funding for GlaxoSmithKline (GSK) for job training; and
- Up to \$32,000 in CDBG-ED grant funding for administrative costs.

On May 16, 2007, I visited your office to review efforts towards completion of Ravalli County's contract for assistance to GSK. Thank you for meeting with me and discussing the GSK project. I very much appreciated and enjoyed the onsite visit.

At the time of application, local governments are required to submit a signed Certification for Application, which is an agreement by the local government to comply with certain federal regulations related to the CDBG-ED program. Evaluation of compliance with these federal regulations is a responsibility placed on the MDOC through the federal Housing and Community Development Act. The purpose of my visit was to evaluate the County's compliance with federal and state requirements of the Montana CDBG-ED program and to assess its progress toward closeout of the project activities. It is our intent, through the monitoring process, to help CDBG-ED recipients prevent situations that could cause problems when project records receive an audit.

One of three levels of determination is assigned to a particular issue if the grant recipient's performance is considered less than satisfactory:

➤ Concern

When the CDBG-ED liaison raises an issue that does not involve a statutory or regulatory requirement but may involve recommending a management or program improvement, it is determined a "concern." A modification of an administrative procedure or policy would be suggested. No formal written response to MDOC by local officials is required.

➤ Question of Performance

If the monitoring review raises a question regarding whether a violation of a statutory or regulatory requirement has occurred, the CDBG-ED liaison will first informally discuss the review results with local officials to determine if a violation has occurred. If a determination cannot be made during the exit conference, the CDBG-ED staff may conclude that there is a "question of performance" and request that additional information be provided within a 30-day time period in order for the MDOC to determine whether a violation has, in fact, occurred. The MDOC will make a final determination regarding the issue under question within 30 days of the grant recipient's response.

➤ Finding

When a monitoring review of a grant recipient's performance reveals a specific, identifiable violation of a statutory or regulatory requirement about which there is no question, the CDBG-ED liaison will make a "finding." A written response regarding the grantee's proposed actions to correct the situation is required within 30 days of the date of the CDBG-ED liaison's monitoring letter.

Corrective actions should:

1. Prevent a continuance of the violation;
2. Mitigate any adverse effects or consequences of the violation to the extent possible under the circumstances; and
3. Prevent a recurrence of the same or similar violation.

MONITORING AREAS

Following is a summary of the compliance areas monitored:

- File Management
- Environment
- Financial Management
- Civil Rights
- Grant Management for Assisted Business

FILE MANAGEMENT

The files were provided to me for review. The files were very well organized and necessary documents were easy to find. No concerns were noted.

ENVIRONMENT

No hazardous conditions or non-compliance was observed during the on-site tour.

FINANCIAL MANAGEMENT

The County Treasurer was not available, however a copy of the draw information for the third draw was provided to me. No concerns were noted.

CIVIL RIGHTS

MDOC cannot close a CDBG-ED project until it has copies of all necessary civil rights documents. MDOC has copies of the County's EEO, Hatch Act, and Fair Housing Act resolutions. The ADA Analysis of Impediments is complete but waiting for approval from the Commission. Please provide me with a copy of the Analysis of Impediments when it is finalized.

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Julie

GRANT MANAGEMENT FOR ASSISTED BUSINESS

One thing discussed was that 51% of the positions were not filled with low to moderate income persons. For closure of the grant, the County must show that at least 51% of the positions hired were made available to LMI. To do this, please submit copies of the job advertisements that show that the positions only required a high school degree and no more than one year of experience. This can be provided to MDOC now or submitted with the closure reports.

Julie

Thank you for being organized and providing the necessary items to MDOC. We appreciate your continued efforts. If you need additional information or have questions, you can contact me at (406) 841-2735 or by e-mail at kschmitt@mt.gov.

Sincerely,



Kelly Schmitt
CDBG-ED Program Specialist
Commerce Loan Fund
Montana Department of Commerce

cc: Dale Huhtanen, Community Development and Counseling
Greg Chilcott, Ravalli County Commissioner